

Amendments to the Specification:

Please amend the paragraph beginning on Page 7, Line 9, as follows:

-- U.S. Pat. No. 6,030,635 issued Feb. 29, 2000 and U.S. Pat. No. 6,437,018 issued Aug. 20, 2002 are directed toward a malleable bone putty and a flowable gel composition for application to a bone defect site to promote new bone growth at the site which comprises a new bone growth inducing compound of demineralized lyophilized allograft bone powder. The bone powder has a particle size ranging from about 100 to about 850 microns and is mixed in a high molecular weight hydrogel carrier which contains a sodium phosphate saline buffer (i.e., phosphate buffered saline (PBS)). --

Please amend the paragraph beginning on Page 8, Line 5, as follows:

-- A cartilage allograft construct assembly comprising a plug with a bone base and cartilage cap for treating articular cartilage defects. The plug is used together with a milled cartilage paste which surrounds the plug in a bore which has been cut into the patient to remove the lesion area. The cartilage paste may serve as a biological glue. The process for inserting the construct plug is to ~~arthroscopically~~ surgically remove one or more osteochondral plugs from the defect area. A small amount of biological glue is inserted into the defect and the plug is inserted into the surgically created cylindrical defect. The plug is then positioned so that it is flush and covered with paste ~~or putty~~.

Additives may be applied to the assembly in order to increase chondrocyte migration and proliferation. Stem cells or chondrocytes may also be applied to the construct to restore the matrix. Each allograft construct can support the addition of a variety of chondrogenic stimulating factors including, but not limited to growth factors (FGF-2, FGF-5, IGF-1, TGF- β , BMP-2, BMP-7, PDGF, VEGF), human allogenic or autologous chondrocytes, human allogenic or autologous bone marrow cells, demineralized bone matrix, insulin, insulin-like growth factor-1, transforming growth factor-B (TGF- β), interleukin-1 receptor antagonist, hepatocyte growth factor, platelet-derived growth factor (PDGF), Indian hedgehog and parathyroid hormone-related peptide or bioactive glue. --